

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

UNIRAM TECHNOLOGY, INC,

Plaintiff,

V

Defendant.

This is a trade secret misappropriation dispute between plaintiff UniRAM Technology, Inc ("UniRAM") and defendants Taiwan Semiconductor Manufacturing Company LTD and TSMC North America (collectively "TSMC"). In its original complaint, UniRAM also sued Monolithic Systems Technology, Inc ("MoSys"), but that defendant has since settled. TSMC now seeks summary judgment that (1) UniRAM's claims are barred by the statute of limitations and (2) TSMC did not misappropriate UniRAM's trade secrets. For the reasons that follow, TSMC's motion is GRANTED in part and DENIED in part.

I

The trade secrets at issue concern a new method of manufacturing dynamic random access memory ("DRAM") invented by Dr Jeng-Jye Shau. DRAM is a type of memory that stores data within a circuit. The DRAM memory cells must be embedded into the chip during the manufacturing process. One method of doing this is the EmbDRAM process, while another method is called a logic process. Shau claims that embedding the DRAM by using the logic process was one of his ideas. In 1996, Shau approached TSMC, a foundry of computer chips and circuits, to manufacture his new circuits. Shau decl at ¶5. As part of the process, Shau discussed the invention with TSMC and disclosed "tape outs" of his invention, which included different "features" for manufacturing his device. Id at ¶¶11, 17. Among these features are circuit architecture characteristics such as "EDRAM macro," "small block," "hidden refresh," "SRAM interface," "planar capacitors" and "standard logic" to name a few. Doc #375 at 8 (chart). UniRAM contends its DRAM trade secrets consist of particular combinations of these features. UniRAM asserts that Shau disclosed to TSMC a total of twelve DRAM trade secrets and that TSMC transferred these secrets to MoSys and to Matsushita, which then began to produce similar products.

TSMC attacks the merits of the misappropriation claim. TSMC disputes that it ever acquired knowledge of UniRAM's trade secrets, asserting that the information in the tapeouts was insufficient as a matter of law to constitute disclosure of trade

1 secrets. Id at 4. TSMC contends the tapeouts presented only
2 hundreds of thousands of possible combinations of features, and
3 TSMC could not have known the specific combinations which UniRAM
4 claims are secret. Id at 6. TSMC then argues that it never
5 communicated any alleged secrets to MoSys or Matsushita and
6 accordingly did not misappropriate trade secrets as a matter of
7 law. Id at 10. TSMC further contends that a number of allegedly
8 infringing products do not use one of the trade secret elements at
9 issue. Id at 11. Lastly, TSMC claims that UniRAM knew or should
10 have known of any alleged misappropriation prior to a time within
11 the statute of limitations period. The court addresses these
12 contentions in turn.

13 II

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16 In reviewing a summary judgment motion, the court must
17 determine whether genuine issues of material fact exist, resolving
18 any doubt in favor of the nonmoving party. "[S]ummary judgment
19 will not lie if the dispute about a material fact is 'genuine,'
20 that is, if the evidence is such that a reasonable jury could
21 return a verdict for the nonmoving party." Anderson v Liberty
22 Lobby, 477 US 242, 248 (1986). "Only disputes over facts that
23 might affect the outcome of the suit under the governing law will
24 properly preclude the entry of summary judgment." Id. The burden
25 of establishing the absence of a genuine issue of material fact
26 lies with the moving party. Celotex Corp v Catrett, 477 US 317,
27 322-23 (1986). Summary judgment is granted only if the moving
28 party is entitled to judgment as a matter of law. FRCP 56(c).

The nonmoving party may not simply rely on the pleadings, however, but must produce significant probative evidence, by affidavit or as otherwise provided in FRCP 56, supporting the claim that a genuine issue of material fact exists. TW Elec Serv v Pacific Elec Contractors Ass'n, 809 F2d 626, 630 (9th Cir 1987). Conclusory, speculative testimony in affidavits and moving papers is insufficient to raise genuine issues of fact and defeat summary judgment. Thornhill Publishing Co, Inc v GTE Corp, 594 F2d 730, 738 (9th Cir 1979). The evidence presented by the nonmoving party "is to be believed, and all justifiable inferences are to be drawn in his favor." Anderson, 477 US at 255. "[T]he judge's function is not himself to weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial." Id at 249.

III

A

California trade secret law governs UniRAM's misappropriation claim. See Doc #375 at 4. Under the California statute, trade secret misappropriation is defined, in part, as:

(2) Disclosure or use of a trade secret of another without express or implied consent by a person who:

* * *

(B) At the time of disclosure or use, knew or had reason to know that his or her knowledge of the trade secret was:

* * *

(ii) Acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or

1 (iii) Derived from or through a person who owed a duty to
2 the person seeking relief to maintain its secrecy or
limit its use; * * * .

3 Cal Civ Code § 3426.1(b). UniRAM claims its trade secrets
4 consisted of particular combinations of features and that UniRAM
5 communicated these secrets to TSMC through tape outs Shau shared
6 with TSMC who then disclosed these secrets to MoSys. TSMC denies
7 that the secrets were ever communicated to TSMC and that the court
8 can make this determination as a matter of law.

9 TSMC primarily argues that UniRAM's disclosures to TSMC
10 consist of tape outs which merely list dozens of different possible
11 circuit "features" and do not specify the unique combinations of
12 features that make up the trade secrets at issue. According to
13 TSMC, summary judgment is appropriate because "not a single
14 document UniRAM relies on to support disclosure of its alleged
15 trade secrets recites all of the features for a given combination
16 secret." Doc #375 at 7. Moreover, according to TSMC, none of
17 Shau's oral disclosures to TSMC ever identified specific secret
18 combinations. Id at 9. TSMC's theory is that UniRAM must disclose
19 its elements and secret combinations in "a single form or on a
20 single occasion." Id at 10; compare RM Cummings, Some Aspects of
21 Trade Secrets and Their Protection: The Public Domain and the
22 'Unified Description' Requirement, 54 Ky L J 190, 191 (1966).

23 In essence, TSMC argues that when an alleged trade secret
24 consists of a combination of nonsecret elements, plaintiffs have a
25 claim only if they can prove they disclosed to defendants the
26 precise combination that constitutes the secret. TSMC provides no
27 authority for this proposition. The issue is one of disclosure,
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1 and the authorities TSMC cites are not relevant in determining the
2 level of legally required disclosure. The rulings in Julie
3 Research Labs, Inc v Select Photographic Eng'g, Inc, 810 F Supp
4 513, 519-20 (SDNY 1992), Cybertek Computer Prods, Inc v Whitfield,
5 203 USPQ 1020, 1024 (Cal App Super 1977), IDX Sys Corp v Epic Sys
6 Corp, 285 F3d 581 (7th Cir 2002), and Am Airlines, Inc v KLM Royal
7 Dutch Airlines, Inc, 114 F3d 108 (8th Cir 1997) do not state as
8 broad a principle as TSMC contends.

9 Julie Research and Cybertek offer only the
10 uncontroversial proposition that a combination of nonsecret
11 elements is entitled to the same trade secret protection as any
12 discovery. In IDX, the court rejected the plaintiff's extremely
13 vague description of its trade secrets, but the trade secrets at
14 issue here have been described adequately. And American Airlines
15 was an estoppel case in which the court held that once the
16 plaintiff contended that his trade secret was a combination of five
17 elements, he could not change course in the middle of litigation
18 and, in a "sham" attempt to avoid summary judgment, assert that his
19 secret involved a combination of only four elements. See American
20 Airlines, 114 F3d at 111-12. The level of requisite disclosure was
21 never at issue in those cases. Accordingly it is not true as a
22 matter of law that UniRAM's claim will survive only if it disclosed
23 to TSMC the exact combinations that make up its trade secrets.

24 TSMC's failure to locate any authority in support of its
25 position may not be entirely its fault. It appears the question of
26 knowledge of a combination trade secret may be a case of first
27 impression. One pair of recent commentators "found no published
28 decisions analyzing the knowledge element of a plaintiff's

1 combination trade secret claim." Tait Graves & Alexander
2 Macgillivray, Combination Trade Secrets and the Logic of
3 Intellectual Property, 20 Santa Clara Computer & High Tech L J 261,
4 285-86 & n63 (2004).

5 Nevertheless, courts have addressed a similar question in
6 a related context, and that analysis is persuasive here. Courts
7 must often determine whether a combination trade secret is a secret
8 when the elements of the combination have been disclosed publicly
9 but the combination itself has not. In that context, courts have
10 held that knowledge of the combination may be presumed as long as
11 one skilled in the art could view the nonsecret elements and
12 replicate the combination without undue difficulty. See Computer
13 Care v Serv Sys Enters, Inc, 982 F2d 1063, 1073 (7th Cir 1992);
14 Pope v Alberto-Culver Co, 694 NE2d 615, 618-19 (Ill App Ct 1998);
15 Ashland Management Inc v Janien, 82 NY 2d 395, 407-08 (NY 1993).
16 This principle means that in the present case, where the elements
17 have only been disclosed to another party in a confidential
18 relationship, the defendant might be deemed to have constructive
19 knowledge of a combination of elements even though only the
20 separate elements have been disclosed.

21 To illustrate the analogy, in Servo Corp of America v
22 General Elec Co, 393 F2d 551 (4th Cir 1968), the Fourth Circuit
23 decided the question whether a trade secret loses its secret status
24 if its elements have been disclosed publicly or only if the
25 combination has been disclosed publicly. Servo had claimed General
26 Electric misappropriated its design for railroad "hot box
27 detectors." Id at 552. Servo argued that even though each of the
28 elements of its design was publicly disclosed, the secret

1 combination had not yet been made public because the components of
2 the combination had not been disclosed within "a single integrated
3 document." Id at 554. The court rejected that contention, which
4 it likened to the doctrine of anticipation in patent law. Id.
5 Instead, the question was "whether, taking into account all of the
6 plaintiff's relevant disclosures, it is reasonable to conclude that
7 a competitor could have ascertained the working combination from an
8 examination of those disclosures." Id. The court held in the
9 affirmative, essentially ruling that the general public would be
10 charged with knowledge of the combination. See id. The same
11 principle applies here - knowledge of the combination may be
12 imputed to those with knowledge of the components. If TSMC had
13 knowledge of the individual features comprising Shau's invention,
14 then knowledge of the combination may be imputed as long as it is
15 reasonable. Insisting on a unified description in a single
16 integrated document, as TSMC asserts, is unnecessary. Accordingly,
17 even if TSMC is correct that the tape outs and discussions disclose
18 only elements and not combinations, TSMC might have knowledge of
19 UniRAM's trade secrets if inferring such knowledge would be
20 reasonable under the circumstances.

21 TSMC's position does not lack appeal. Simple and clear
22 rules of law are always appealing, especially to nonlawyers. See
23 very generally Dennis Jacobs, The Secret Life of Judges, 75 Fordham
24 L Rev 2855 (2007). Here, however, the problem should be
25 categorized as a question of fact. The issue turns on how easy or
26 difficult it is to assemble the relevant elements into the secret
27 combination. Many factors will go into that determination, and
28 those factors should be weighed by a jury. As an example, if the

1 Coca-Cola formula consists of a combination of ten nonsecret
2 ingredients, then a document which lists those ten ingredients in
3 the middle of a sea of other chemicals might not constitute
4 adequate disclosure of the formula because the precise recipe would
5 be too difficult to derive. In that instance, it may be unfair to
6 hold accountable trade secret defendants for picking out the ten
7 ingredients from a very long list and contending that those ten and
8 only those ten would have some special benefit once combined. On
9 the other hand, if the list has only eleven ingredients, and if one
10 skilled in the relevant art or science viewing the list would
11 likely know that the formula was a combination of ten of the
12 ingredients, then the matter is quite different. See Graves &
13 Macgillivray, *supra*, at 283 (stating that a "combination [might be]
14 obvious because of the limited number of potential alternatives").
15 The same may be true if the list contains all the correct
16 ingredients but does not disclose the precise amount of each
17 chemical that must be added to the mix. There is no threshold of
18 specificity that must be met before the trade secret will be deemed
19 "disclosed" as a matter of law. In short, a defendant's
20 "knowledge" of a secret combination will depend on how easy or
21 difficult it is to piece together. That is a question of fact.

22 The problem is not purely an issue of permutations and
23 combinations. Qualitative factors are just as important as
24 probabilistic ones. Certain factors or features may be naturally
25 related to one another, may be completely incompatible, may be
26 standard in the industry, may be obvious to those skilled in the
27 art or might otherwise simplify (or complicate) the problem of
28 discovering the secret combination. The DRAM invention at issue

1 here illustrates the concept because certain features imply others.
2 See, for example, Doc #442 Ex I (Mandelman Decl) at 13 ("Embedding
3 DRAM in logic naturally calls for a hidden refresh and a SRAM
4 interface * * * ."). Just as some combinations are so widespread
5 as to no longer be secrets, those same combinations might whittle
6 down the possibilities and thereby reduce the difficulty of picking
7 out the truly secret combinations. TSMC's method of simply
8 counting up the potential combinations will not do. The jury needs
9 to weigh these fact-intensive circumstances.

10 The above discussion presumes that UniRAM's disclosures
11 disclose only elements and not specific secret combinations, but of
12 course UniRAM might still be able to demonstrate at trial that the
13 tape outs do in fact disclose specific combinations. In any event,
14 TSMC's knowledge of the alleged trade secrets is a question of fact
15 to be decided at trial.

16 B
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18 TSMC next contends that UniRAM has offered no evidence
19 that "TSMC took UniRAM's alleged 12 trade secret combinations and
20 passed them to MoSys" (see Doc #409 (TSMC reply) at 3) or to
21 Matsushita (see id at 5). Plaintiffs alleging trade secret
22 misappropriation may prove such misappropriation by circumstantial
23 as well as direct evidence. See Droeger v Welsh Sporting Goods
24 Corp, 541 F2d 790, 792 (9th Cir 1976); Pioneer Hi-Bred Intern v
25 Holden Foundation Seeds, Inc, 35 F.3d 1226 (8th Cir 1994);
26 Comprehensive Technologies Intern, Inc v Software Artisans, Inc, 3
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1 F.3d 730, 736 (4th Cir 1993). Circumstantial evidence is
2 particularly appropriate in trade secret cases:

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4 It is well recognized with respect to trade secrets that:

5 [m]isappropriation and misuse can rarely be proved by
6 convincing direct evidence. In most cases plaintiffs must
7 construct a web of perhaps ambiguous circumstantial
8 evidence from which the trier of fact may draw inferences
9 which convince him that it is more probable than not that
10 what plaintiffs allege happened did in fact take place.
11 Against this often delicate construction of
12 circumstantial evidence there frequently must be balanced
13 defendants and defendants' witnesses who directly deny
14 everything.

15 Q-Co Industries, Inc v Hoffman, 625 F Supp 608, 618 (SDNY 1985).

16 UniRAM has offered circumstantial evidence sufficient to
17 create a genuine issue of fact for trial. According to UniRAM,
18 MoSys was a failed player in the DRAM market and by 1998 owed tens
19 of millions of dollars to TSMC, one of its shareholders. See Doc
20 #442 Ex B at 514, 518; id Ex C at 088; id Ex D at 570-71. Then in
21 1998, top officials at both companies met to find a solution. See
22 id Ex E at 078-81. Shortly thereafter (and after TSMC became privy
23 to Shau's invention), TSMC "was working jointly with MoSys to
24 develop an embedded logic process that mirrored Dr. Shau's
25 technology." Doc #395 (UniRAM Opp) at 5; Doc #442 Ex F at
26 MOS168157-58; see also Doc #395 at 14-15 (detailing changes to
27 MoSys products after its meeting with TSMC). These facts,
28 particularly the 1998 meeting, go beyond the factual allegations in
the complaint. See Doc #16 at ¶¶32-38. This narrative is adequate
to support UniRAM's theory of misappropriation. Whether or not
TSMC actually disclosed Shau's secrets to MoSys at the 1998 meeting
is a question for the jury.

The same cannot be said, however, of any claim that TSMC disclosed trade secrets to Matsushita. UniRAM has offered no evidence of any communications between TSMC and Matsushita. Doc #375 at 10. Accordingly there is no basis for a reasonable inference that TSMC improperly disclosed UniRAM's secrets to Matsushita.

C

Apart from its claim that UniRAM never disclosed any trade secrets, TSMC claims that four specific TSMC products do not utilize the special "small block architecture" feature claimed by UniRAM as an element in its secret combinations. Accordingly, TSMC argues that it did not misappropriate any of UniRAM's trade secrets which include that feature - secrets numbers 1, 2, 4, 5, 6 and 7.

Doc #375 at 12.

Specifically, TSMC argues that UniRAM's definition of the term "small block architecture" on its face does not apply to TSMC parts numbers TMF167, TMB138, TMF964 or TM9821. Doc #375 at 11. In its definitions of terms, UniRAM describes small block architecture as:

A memory architecture in which millions of DRAM memory cells are divided into hundreds or thousands of independent blocks whose word lines and bit lines are shorter than (and exhibit less capacitance than) those in conventional DRAM architectures.

See Doc #444, Tuttle Decl Ex Q (emphasis added). The parties do not appear to dispute the following characteristics of four TSMC products:

- 1 (1) TMF167 has 1.081 million cells and 66 blocks;
- 2 (2) TMB138 has 1.081 million cells and 32 blocks;
- 3 (3) TMF964 has 132 blocks; and
- 4 (4) TM9821 has 132 blocks.

5

6 Doc #375 at 14-16. From these data, TSMC argues that the first two
7 products do not use small block architecture because 1.081 million
8 cells does not rise to the level of "millions" (plural) of cells.
9 Id. Moreover, TSMC argues that 66 blocks and 32 blocks do not rise
10 to the level of "hundreds or thousands of blocks." Id. Along
11 those lines, TSMC asserts that the last two products have only 132
12 blocks and therefore do not contain "hundreds" (plural) of blocks.
13 Id at 16 ("One hundred and thirty-two plainly does not fall within
14 the range of hundreds to thousands. Just as one dollar and thirty-
15 two cents is not dollars. Simply put, 132 is not hundreds.").
16 TSMC's position is that the word hundreds, "as the plural of
17 hundred, * * * refers to quantities of 200 or more." Id at 17.
18 Presumably the same construction applies to millions. UniRAM
19 responds by arguing that "hundreds or thousands" was intended as an
20 illustration of the relevant order of magnitude rather than a
21 formal limitation. See Doc #395 at 23.

22 One might theorize endlessly upon TSMC's grammatical
23 interpretations. One dollar and thirty-two cents might be restated
24 into the plural form as "one point three two dollars." The Oxford
25 English Dictionary defines "plural" as "denoting more than one,"
26 which supports UniRAM because even "one and one half" hundreds is
27 more than a single hundred. UniRAM's expert takes a similar
28 position (see Doc #375 at 17).

1 In any event, the court declines to base its decision on
2 the number of angels which might fit upon a pinhead (or upon a DRAM
3 circuit for that matter). Instead, the court rejects TSMC's
4 contentions because any asserted deviations from the specified
5 definition are not material. See Speech Tech Assoc v Adaptive Comm
6 Sys, Inc, No C-88-2392-VRW, 1994 WL 449032 at *9-10 (ND Cal, Aug
7 16, 1994) ("The incidental differences between Prototype # 1 and
8 the redesigned Alltalks do not absolve defendants from liability
9 for misappropriation of trade secrets."); see also Am Can Co v
10 Mansukhani, 742 F2d 314, 328-29 (7th Cir 1984) ("If the law were
11 not flexible enough to reach [independent] modifications, trade
12 secret protection would be quite hollow"). The issue whether the
13 four TSMC products are "substantially derived" (see id) from
14 UniRAM's trade secrets is a question of fact for precisely the same
15 reasons that misappropriation is a question of fact, as discussed
16 in part IV. Drawing all reasonable inferences in UniRAM's favor,
17 the court declines to hold as a matter of law that TSMC did not
18 misappropriate any combinations including small block architecture.

IV

22 TSMC asserts that UniRAM's trade secrets claims are
23 barred by California's three-year statute of limitations (see Cal
24 Civ Code §3426.6) and that the remaining unfair competition and
25 breach of contract claims are barred by the four-year statute of
26 limitations (see Cal Bus & Prof Code §17208; Cal Code Civ Proc
27 §337). UniRAM responds that it was not until April 25, 2001 at the
28

1 earliest (two years and fifty-one weeks before the cutoff) that the
2 statute of limitations began to run. See Doc #391 at 24.

3 California is an inquiry notice state when it comes to
4 the statute of limitations. The limitations period begins to run
5 when the plaintiff knows of the injury or should know of the
6 injury. See Grisham v Philip Morris USA, Inc, 40 Cal 4th 623, 634
7 (Cal 2007); Fox v Ethicon Endo-Surgery, Inc, 35 Cal 4th 797, 807
8 (Cal 2005). Plaintiffs are deemed to have this constructive
9 knowledge "only where there is a duty to inquire, as where
10 plaintiff is aware of facts which would make a reasonably prudent
11 person suspicious." Hobart v Hobart Estate Co, 26 Cal 2d 412, 438-
12 39 (Cal 1945). California has expanded upon the "reasonable
13 suspicion" standard by stating that the plaintiff must suspect
14 "that someone has done something wrong to him, 'wrong' being used,
15 not in any technical sense, but rather in accordance with its lay
16 understanding. * * * He has reason to suspect when he has notice
17 or information of circumstances to put a reasonable person on
18 inquiry * * * ." Norgart v Upjohn Co, 21 Cal 4th 383, 397-98 (Cal
19 1999) (citing Jolly v Eli Lilly & Co, 44 Cal 3d 1103, 1110 (Cal
20 1988)). The plaintiff must have some basis for making further
21 inquiries - in practice this may mean that if a plaintiff knows he
22 has been injured but does not know who has injured him, he has a
23 duty to inquire, which starts the statute of limitations. See, for
24 example, McKelvey v Boeing North America, Inc, 74 Cal App 4th 151,
25 160-61 (1999) (barring plaintiff's claim under the statute of
26 limitations because the plaintiff had been injured by contamination
27 and should have known of media reports linking the contamination to
28 Boeing); Jolly, 44 Cal 3d at 1113 (stating that the plaintiff

1 believed early on that DES was a defective drug, thus triggering a
2 duty to inquire or file a Doe lawsuit). The party with a duty to
3 inquire is charged with the results of what a reasonable
4 investigation would uncover. Accordingly, UniRAM's claims against
5 TSMC will be time-barred if it had information to suspect that it
6 had been wronged.

7 TSMC points to four documents dated outside the period
8 which it claims indisputably triggered UniRAM's duty to inquire.
9 Because, however, each of those documents presents only a factual
10 question whether UniRAM should have inquired further, summary
11 judgment is inappropriate.

12 First, TSMC argues that an email sent on November 20,
13 2000, from TSMC employees to Shau and Sidney Yen at UniRAM
14 establishes that they knew TSMC was producing DRAM chips with logic
15 processes. The email stated that TSMC would no longer be utilizing
16 the EmbDRAM process for producing chips, and it also stated that
17 the sender of the email, Snitsky, would be "responsible for 0.13 1T
18 SRAM." Doc #376 at 13-14. TSMC contends that the email could only
19 mean that TSMC would begin building 1T-SRAM devices in the 0.13um
20 logic process, in which case TSMC would be using UniRAM's trade
21 secrets. Id at 14. UniRAM disputes that the email could only mean
22 that TSMC would be using a logic process. UniRAM asserts that TSMC
23 had been utilizing many methods of building DRAM devices, and
24 therefore the cancellation of one method (EmbDRAM) would not
25 necessarily imply that the 1T-SRAM devices would be built using a
26 standard logic process. Doc #391 at 14. Accordingly, the parties
27 dispute whether the November email would have communicated to
28

1 UniRAM that TSMC had misappropriated trade secrets in producing its
2 own version of Shau's invention.

3 Second, TSMC claims that a January 2001 email proves Shau
4 knew that TSMC's product - 1T SRAM - was the misappropriated
5 version of his own product, DRAM. Doc #376 at 14-15. TSMC claims
6 Shau spoke in an email of "1-T SRAM, which is actually DRAM."
7 According to TSMC, 1T-SRAM utilized many of the secret features of
8 DRAM, and therefore Shau's email was his implicit recognition that
9 1T-SRAM was the misappropriated version of DRAM. Id at 15. UniRAM
10 responds that the term "1T-SRAM" is only a generic term that refers
11 to DRAM generally. Shau decl at ¶ 27. Shau claims that the "1T"
12 in "1T-SRAM" means only that the device is manufactured using one
13 transistor. Id. One feature of DRAM is that it is produced using
14 single transistor memory cells. Id. Accordingly, Shau understood
15 1T-SRAM "as a more general term by TSMC engineers to describe
16 embedded DRAM." Id. The parties are in clear disagreement whether
17 the January email demonstrates that UniRAM knew TSMC may have
18 misappropriated its secrets or whether it only shows two phrases
19 which describe the same thing.

20 Third, TSMC claims MoSys sent UniRAM a threat letter in
21 February 2001 in which MoSys accused UniRAM of infringing MoSys
22 patents covering logic-embedded DRAM. Doc #376 at 15-16. Based on
23 that letter, TSMC argues, UniRAM was aware that MoSys was using
24 several of UniRAM's accused features. Id at 15. The letter
25 attached the relevant patent, which was titled "Memory Cell For
26 DRAM Embedded In Logic." Id. TSMC asserts that because the patent
27 contained the phrase "embedded in logic" in the title, UniRAM knew
28 that the MoSys product was manufactured in a logic process (which

1 would constitute misappropriation). UniRAM responds that the title
2 of the patent was not relevant because the patent claims "had
3 nothing to do with any of the UniRAM trade secret features." Shau
4 decl at ¶29. Accordingly UniRAM had no reason to be suspicious of
5 any misappropriation. Id. Shau claims he did not suspect TSMC of
6 any wrongdoing: "[T]he mere fact that another company [MoSys] was
7 attempting to employ a logic process for embedded DRAM would not
8 have caused me to suspect misappropriation, especially given that
9 the patent was issued to MoSys rather than TSMC, the party to whom
10 I had disclosed trade secrets." Id. Shau was free to believe that
11 MoSys was developing a similar product independently and that he
12 was not the victim of any wrongful conduct. He did not necessarily
13 have information that MoSys appropriated his trade secrets through
14 TSMC or anyone else. Shau's credibility on this point is for the
15 jury to determine. Overall, the parties genuinely dispute whether
16 the February letter shows that UniRAM knew TSMC may have
17 misappropriated its trade secrets.

18 Lastly, TSMC claims that UniRAM employees attended a
19 conference hosted by TSMC in 2000 during which TSMC disclosed that
20 MoSys, one of its customers, was using UniRAM's trade secrets.
21 UniRAM's second-in-command, Sidney Yen, attended the conference.
22 The conference included a slide show presentation with the
23 following slide in the "Embedded DRAM" portion: "MoSys Corp: 16Mb,
24 1T-SRAM architecture, SSRAM Interface, granularity 128Kb, 200MHz."
25 Doc #375 at 17. TSMC contends that the "presentation made clear"
26 to Yen (and therefore to UniRAM) "that TSMC and MoSys were
27 collaborating on 1T-SRAM, which had an SRAM Interface, like
28 UniRAM's alleged trade secret technology." Id. Shau disputes the

1 "clarity" of the presentation materials, noting that the "entire
2 embedded DRAM portion of [the symposium] relates to EmbDRAM" and
3 not to embedded DRAM made using a logic process as would be
4 relevant to his trade secrets. Shau decl at ¶31, 30. Moreover,
5 the slide specifies a granularity of 128Kb, which may suggest a
6 type of architecture that Shau rejected. Shau claimed the slide
7 "would lead [him] into thinking they were still using old DRAM."
8 Id at ¶31. The clarity of the presentation, and what UniRAM
9 understood from it, is a factual question. Resolution of this
10 dispute on a motion for summary judgment is improper.

11 Because there is a genuine issue of fact as to when
12 UniRAM knew it had been injured or wronged, summary judgment on
13 statute of limitations grounds is improper.

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15 V
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17 For the foregoing reasons, the court GRANTS TSMC's motion
18 for summary judgment as to Matsushita products and DENIES the
19 motion in all other respects. Because the disputed portions of the
20 Shau and Murphy declarations are not essential to the court's
21 holding, TSMC's objections to the statements therein (see Doc #410)
22 are moot.

23
24 IT IS SO ORDERED.

25 

26 VAUGHN R WALKER

27 United States District Chief Judge
28